

**MEMORANDUM**

**AND**

**NEW ARTICLES OF ASSOCIATION**

(as adopted by special resolution passed on 15th July, 1993 and embodied all amendments passed by Special Resolutions up to 18th May, 2009)

**OF**

**CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED**

**招商局中國基金有限公司**

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**Incorporated the 13th day of April, 1993**

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**CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED**  
**招商局中國基金有限公司**

**Amendments embodied herein**

The following resolutions have been embodied into this copy of the Memorandum and Articles of Association:

- Special Resolution passed on 15th July, 1993 in respect of the adoption of a new Articles of Association
- Ordinary Resolution passed on 15th July, 1993 in respect of the increase in authorised share capital
- Special Resolution passed on 22nd June, 1994 in respect of the amendments to the Articles of Association
- Special Resolution passed on 25th June, 1996 in respect of the amendments to the Articles of Association
- Special Resolution passed on 28th May, 2004 in respect of the amendments to the Articles of Association
- Special Resolution passed on 31st May, 2005 in respect of the amendments to the Articles of Association
- Ordinary Resolution passed on 25th May, 2007 in respect of the increase in authorised share capital
- Special Resolution passed on 18th May, 2009 in respect of the amendments to the Articles of Association

No. 414700  
編號

[Copy]

CERTIFICATE OF INCORPORATION  
公司註冊證書

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I HEREBY CERTIFY that  
本人茲證明

CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED  
招商局中國基金有限公司

is this day incorporated in Hong Kong under the Companies Ordinance, and that this  
於本日在香港依據公司條例註冊成為

company is limited.  
有限公司。

GIVEN under my hand this Thirteenth day of April, One  
簽署於一九九三年四月十三日。

Thousand Nine Hundred and Ninety-three.

(Sd.) H. Y. CHAN  
p. Registrar General  
(Registrar of Companies)  
Hong Kong  
香港註冊總署署長暨公司註冊官  
(註冊主任 陳浩然 代行)

**THE COMPANIES ORDINANCE**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**OF**

**CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED**  
**招商局中國基金有限公司**

1. The name of the Company is “CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED 招商局中國基金有限公司”.
2. The registered office of the Company will be situate in Hong Kong.
3. The objects for which the Company is established are:-
  - (1) To carry on all or any of the businesses of general merchants, traders, commission agents, importers, exporters, shippers and ship-owners, refrigerators, charterers, forwarding agents, sales agents, and sub-agents for manufacturers, agents and sub-agents for carriers, brokers and agents for brokers, purchasing agents, wharfingers, warehousemen, furnishers, tourist and travel agents, auctioneers, appraisers, valuers, surveyors, del credere agents, personal and promotional representatives, factors, shop-keepers, antique dealers, stevedores, packers, storers, fishermen and trawlers, saddlers, builders, contractors, metallurgists, and undertakers of all kinds of works, enterprises or projects whatsoever.
  - (2) To import, export, buy, prepare, treat, manufacture, render marketable, sell, exchange, barter, pledge, charge, make advances on and otherwise deal in or turn to account produce, goods, materials, commodities, and merchandise generally in their prepared, manufactured or raw state and to undertake, carry on and execute all kinds of financial, commercial, trading, engineering and other manufacturing operations and all businesses wholesale or retail.
  - (3) To carry on business as financiers, capitalists, financial agents, underwriters (but not in respect of life, marine or fire insurance), concessionaires, brokers and merchants and to undertake and carry on and execute all kinds of financial, commercial, trading and other operations. To carry on all or any of the activities of stockbrokers and dealers in mutual funds and investments of all kinds.
  - (4) To subscribe for, conditionally or unconditionally to underwrite, issue on commission or otherwise, take, hold, deal in, and, convert stocks, shares, and securities of all kinds.

- (5) To carry on the business of an investment and holding company and for that purpose to acquire and hold, either in the name of the Company or that of any nominee and to use, sell, assign, transfer, mortgage, pledge, or otherwise deal with or dispose of shares, stocks, bonds, debentures, debenture stocks, notes, obligations and securities issued or guaranteed by any person or company, and to acquire and hold as aforesaid property of any other kind.
- (6) To carry on the business of an Investment Trust Company or any part or parts of the business usually carried on by such company.
- (7) To borrow or raise money with or without security or secure the payment of money by way of mortgage or in such other manner as the Company shall think fit and in particular by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's properties (both present and future) including its uncalled capital and to redeem or pay off any such securities and to borrow money on any terms and conditions upon the security of mortgages or pledges of or upon all or any part of the property of the Company or upon any calls on members made or to be made or without any such mortgage or pledge and to borrow or receive on deposit at interest or otherwise money, stock, funds, shares, securities or other properties and also by similar mortgage, charge, debenture or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be.
- (8) To vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.
- (9) To acquire by purchase, lease, exchange or otherwise and sell land, buildings and hereditaments of any tenure or description and any estate or interest therein and any rights over or connected with land and to develop and to turn the same and/or any other property in which the Company may be interested to account as may seem expedient or to contribute to, subsidize or otherwise assist or take part in developing and turning to account any property and develop and turn to account the resources of any property, whether belonging to the Company or not, and in particular, but without prejudice to the generality of the foregoing, by laying out and preparing the same for afforestation and for building purposes, constructing, altering, pulling down, decorating, maintaining, furnishing, improving and managing buildings of all kinds, roads, harbours, bridges, reservoirs, water courses, ways, plantations, fortifications, hydraulic-works, mills, smelting works, factories, furnaces, viaducts and other works, enterprises and projects of all descriptions and by leasing or otherwise dealing with the same and by advancing money to and entering into contracts and agreements of all kinds with builders, contractors, tenants and others.
- (10) To sell, let on lease, exchange, deal with or otherwise dispose of all the property of the Company or any part thereof or its rights, interests and privileges for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company.
- (11) To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which this Company is authorised to carry on and as part of the consideration for such

acquisition to undertake all or any of the liabilities of such person, firm or company or to acquire an interest in, amalgamate with or enter into partnership or into any arrangement for sharing profits or for co-operation or for limiting competition or for mutual assistance with any such person, firm or company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

- (12) To advertise, market and sell the products of the Company and of any other person and to carry on the business of advertisers or advertising agents or of a marketing and selling organisation.
- (13) To carry on business as proprietors and/or managers of hotels, motels, inns, lodging-houses, apartment houses, restaurants, refreshment and tea rooms, cafes and milk and snack bars, night-clubs and clubs of all kinds, tavern, beer-house and lodging-house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, maltsters, distillers, importers and manufacturers of aerated, mineral and artificial waters and other drinks, and as caterers and contractors in all their respective branches and as managers and/or proprietors of theatres, cinemas, dance-halls, concert halls, stadiums, billiard rooms, bowling centres and all places of entertainment and radio and television stations and studios.
- (14) To carry on all or any of the businesses whether together or separately of proprietors, promoters, producers, organisers, and managers of all kinds of public entertainments, sports, recreation, competitions, and amusements whether indoor or outdoor and in connection therewith to purchase, lease, hire, construct, provide, operate, equip, furnish and fit out any necessary or convenient land, buildings, facilities, structures, apparatus, and equipment.
- (15) To provide or procure the provision by others of every and any service need, want or requirement of any business nature required by any person, firm or company in or in connection with any business carried on by them.
- (16) To carry on the business of manufacturers, producers, refiners, developers, and dealers in all kinds of materials, chemicals, substances, commodities, and products whether synthetic, natural, or artificial, including in particular but without limitation to the foregoing, plastics, resins, textiles, fabrics, fibres, feather goods, leather, hair, rubber, balata and goods and articles made from the same and compounds, intermediates, derivatives, and by-products thereof, whether for wearing attire, or personal or household use or ornament.
- (17) To carry on business as timber merchants, sawmill proprietors, coopers, cask makers, joiners, carpenters, cabinet makers, and to buy, sell, prepare for market, import, export, and deal in timber and wood of all kinds, and to manufacture and deal in articles of all kinds in the manufacture of which timber or wood is used.
- (18) To carry on business as drapers and hosiers, fashion artists, dressagents, tailors, dressmakers, clothiers, milliners, spinners, weavers, hatters, glovers, boot and shoe manufacturers, embroiderers, hemstitchers, plaiters, pleaters, knitters, lacemakers, costumiers, furriers, pelmet makers, stencillers, painters, dyers, cleaners, washers,

renovators, men's, women's and children's and school outfitters, naval, military, colonial, tropical and general outfitters, engineers, electricians, wood and metal workers, tanners, rope manufacturers, iron-mongers, and hardware dealers, goldsmiths, silversmiths, watchmakers, and jewellers, fancy goods dealers, depository and repository proprietors, proprietors of transportation services for passengers, animals, mails, and goods by air, sea, inland waterways and land, upholsterers, furniture dealers, money-changers and any other business which may seem to the Company capable of being carried on in connection with the above and calculated directly or indirectly to enhance the value or render profitable any of the Company's property or rights.

- (19) To carry on business as general chemists and druggists and to buy, sell, import, export, refine, prepare and otherwise deal in all kinds of pharmaceutical, medicinal, and chemical preparations, articles and compounds (whether of animal, vegetable or mineral origin) toilet requisites, cosmetics, paints, pigments, oils and oleangious and saponaceous substances, perfumes and all kinds of unguents and ingredients.
- (20) To establish, maintain, and operate sea, air, and land transport enterprises (public and private) and all ancillary services and, for these purposes or as independent undertakings, to purchase, take in exchange, charter, hire, build, construct, own, work, manage, and otherwise trade with any kind of ship, vessel, aircraft, flying machine, vehicle, cycle, coach, wagon, or carriage (however powered), with all necessary and convenient equipment, engines, tackle, gear, furniture, fittings and stores or any shares or interests in ships, vessels, aircraft, flying machine, motor and other vehicles, cycle, carriage, coach or wagon, including shares, stocks, or securities in any of the above modes of transport over which the Company has rights of ownership or any other interest, and to maintain, repair, fit out, refit, improve, insure, alter, sell, exchange or let out on hire or hire purchase, or otherwise deal with and dispose of any ship, vessel, aircraft, flying machine, vehicle, cycle, carriage, coach, wagon, shares, stock, and securities, or any of the engines, tackle, gear, furniture, equipment, and stores of the Company.
- (21) To establish and carry on in Hong Kong and any other countries schools at or by means of which students in any manner whether by post, personal attendance or otherwise may obtain education and instruction and particularly in or with regard to but without being limited to architecture, architectural, mechanical, geometrical and other drawing and designing, surveying, mapping, book-keeping, shorthand, speed-reading, typewriting and other secretarial training, civil, mechanical, electrical marine and other engineering, building and other constructional work, heating and ventilation, electronics, chemistry, mining, metallurgy, geology, commerce, spinning, weaving and sign-writing and painting, agriculture, horticulture, dairy and other farming, and stock and other breeding, forestry, professions ancillary to medicine, law, languages, mathematics, seamanship, navigation, geography and history, music, arts, elocution, journalism, games, sports, recreation, exercise and pastimes, economics, commerce, industry, and all other subjects whatsoever that may be included in a commercial, technical, scientific, classical or academic education, or may be conducive to knowledge of or skill in any trade, pursuit or calling and to provide for the giving and holding of lectures, scholarships, exhibitions, classes and meetings for the promotion or advancement of education.
- (22) To provide a school or schools, lecture class or examination room or rooms, office or offices, board, lodging and attendance and all other necessities and conveniences for or to students, teachers, lecturers, clerks, employees and officers instructed or employed

temporarily or otherwise by the Company, and to afford them facilities for study, research, cultivation, teaching and performance of the tasks and duties allotted to them respectively.

- (23) To carry on all or any of the business of booksellers, book manufacturers, bookbinders, printers, publishers and proprietors of newspapers, magazines, books, periodicals, tickets, programmes, brochures, promotional literature and other publications whatsoever of all description, machine, letterpress and copperplate printers, rollform and automatic printers, colour printers, lithographers, type founders, stereotypers, electrotypers, photographic printers, engravers, diesinkers, designers, draughtsmen, newsagents, pressagents, journalists, literary agents, stationers, manufacturers of and dealers in engravings, prints, pictures, and drawings advertising agents and contractors, artists, sculptors, designers, decorators, illustrators, photographers and dealers in photographic supplies and equipment of all kinds, film makers, producers and distributors, publicity agents, display specialists and any other business which may seem to the Company capable of being carried on in connection with the above.
- (24) To acquire, sell, own, lease, let out to hire, administer, manage, control, operate, construct, repair, alter, equip, furnish, fit out, decorate, improve and otherwise deal in works, buildings, and conveniences of all kinds which expression without prejudice to the generality of the foregoing shall include railways, tramways, docks, harbours, piers, wharves, canals, reservoirs, embankments, dams, irrigation, reclamation, sewage, drainage and sanitary works, water, gas, oil, motor, electrical, telephonic, telegraphic and power supply works.
- (25) To buy, sell, manufacture, construct, repair, alter, convert, refit, salve, raise, fit out, rig out, scrap, let on hire and otherwise deal in timber, iron, steel, metal, glass, minerals, ores, machinery, rolling-stock, plant, equipment, utensils, instruments, implements, tools, apparatus, appliances, materials, fuels, and products and commodities of all kinds and of whatever substance and for any purpose whatsoever.
- (26) To carry on the trade or business of steel makers, steel converters, iron-masters, colliery proprietors, coke manufacturers, miners, smelters, millwrights, carpenters joiners, boiler makers, plumbers, brass founders, building material suppliers and manufacturers, tinsplate manufacturers and iron founders in all their respective branches and to purchase, take on lease, or otherwise acquire any mines, wells, quarries, and metalliferous land and any interests therein and to explore, work, exercise, develop and otherwise turn to account the same; to crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, and otherwise process and prepare for market ores, metals, precious stones, and mineral substances of all kinds and to carry on any other metallurgical operations which may seem conducive to the Company's objects.
- (27) To act as business consultants and advisers and to employ experts to investigate and examine into the condition, prospects, value, character and circumstances, of any business concerns and undertakings, and generally of any assets, property, or rights.
- (28) To insure with any company or person against losses, damages, risks and liabilities of all kinds which may affect the Company and to act as agents and brokers for placing insurance risks of all kinds in all its branches.

- (29) To appoint sales agents to sell any of the products of the Company and any goods, foods, stores, chattels and things for which the Company are agents or in any other way whatsoever interested or concerned in any part of the world.
- (30) To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with this Company, and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies, and generally to give guarantees and indemnities (except life, fire and marine insurance indemnities).
- (31) To undertake and execute any trusts the undertaking whereof may seem desirable and also to undertake the office of executor, administrator, treasurer or registrar and to keep for any company, government, authority or body any register relating to any stocks, funds, shares or securities or to undertake any duties in relation to the registration of transfers, the issue of certificates or otherwise.
- (32) To receive and hold for its own use, benefit on behalf or in trust or otherwise moneys and other property and estates, real, personal, and mixed, of whatever kind and nature and the same to invest, reinvest, manage, settle, control, sell and dispose of in any manner and to collect, manage, invest, reinvest, adjust, and in any manner to dispose of the income, profits, and interest arising therefrom upon such terms as may be agreed upon between the Company and the persons contracting with it.
- (33) To obtain any order in council, enactment or ordinance for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (34) To pay all expenses incidental to the formation or promotion of this Company or any other company and the conduct of its business and to remunerate any person or company for services rendered in placing or assisting to place or guaranteeing the placing of any of the shares in or debentures or other securities of the Company or in or about the promotion, formation or business of the Company or of any other company promoted wholly or in part by the Company.
- (35) To grant pensions, allowances, gratuities and bonuses to employees or ex-employees of the Company or of any company which is a subsidiary of the Company or in or about the promotion, formation or business of the Company, subsidiary company or dependants of such persons and to procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of such employees or ex-employees or their dependants and to establish and support or to aid in the establishment and support of any schools and any educational, scientific, literary, religious, public, municipal or charitable institution, or trade societies, whether such societies be solely connected with the business carried on by the Company or its predecessors in business or not and any club or other establishment calculated to advance the interests of the Company or any such subsidiary company or the persons employed by the Company or any such subsidiary company or its predecessors in business and to subscribe to any trade protection society or guild or any other association for the protection or encouragement of trade.

- (36) To remunerate or make donations (in cash or by the issue of fully or partly paid shares or debentures of this Company or any other company or in any other manner the Directors may think fit) to any person or persons, whether Directors, officers or agents of the Company or not, for services rendered or to be rendered in the conduct of this Company's business or in placing or assisting to place any shares in the capital of, or any debentures, debenture stock or other securities of this Company or any other company formed or promoted by this Company or in which this Company may be interested or in or about the formation or promotion of this Company or any other company as aforesaid.
- (37) To do all or any of the above things in any part of the world and as principals, agents, contractors, or otherwise, and by or through agents, contractors or otherwise and either alone or in conjunction with others.
- (38) To carry on business and maintain branches abroad in any part of the world for all or any of the purposes herein set forth.
- (39) To acquire or take over all or any property, rights and liabilities of any other company and hold shares in any such company and to guarantee the payment of any debentures or other securities issued by any such company.
- (40) To distribute any of the properties of the Company whether upon a distribution of assets or a division of profits among members in specie or otherwise.
- (41) (a) To act as directors, accountants, secretaries and registrars of companies incorporated by law or societies or organisations (whether incorporated or not).
- (b) To hold in trust as trustees or nominees of any person or persons, company, corporation, or any charitable or other institution in any part of the world, whether incorporated or not, and to manage, deal with and turn to account, any real and personal property of any kind.
- (c) To act as nominees, trustees or agents for the receiving, payment, loan, repayment, transmission, collection and investment of money, and for the purchase, sale, improvement, development and management of any real or personal property, including business concerns and undertaking, both in Hong Kong and abroad.
- (42) To carry on any other business which may seem to the Company capable of being conveniently carried on in connexion with its business or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (43) To apply for, purchase, or otherwise acquire any patents, patent rights, copyrights, trade marks, formulae, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to, any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company; and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account, the property, rights, or information so acquired.

- (44) To amalgamate or enter into partnership or into any arrangement for sharing of profits, union of interest, co-operation, joint adventure, reciprocal concession, or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.
- (45) To take, or otherwise acquire, and hold shares, debentures, or other securities of any other company.
- (46) To enter into any arrangements with any Government or authority, supreme, municipal, local, or otherwise, that may seem conducive to the Company's objects, or any of them; and to obtain from any such Government or authority any rights, privileges, and concessions which the Company may think desirable to obtain; and to carry out, exercise, and comply with any such arrangements, rights, privileges, and concessions.
- (47) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or directors or past employees or directors of the Company or of its predecessors in business, or the dependants or connections of any such persons; and to grant pensions and allowances; and to make payments towards insurance; and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general, or useful object.
- (48) To promote any other company or companies for the purpose of acquiring or taking over all or any of the property, rights and liabilities of the company, or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
- (49) To purchase, take on lease or in exchange, hire, and otherwise acquire any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business, and in particular any land, buildings, easements, machinery, plant and stock-in-trade.
- (50) To construct, improve, maintain, develop, work, manage, carry out, or control any buildings, works, factories, mills, roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses, wharves, warehouses, electric works, shops, stores, and other works and conveniences which may seem calculated directly or indirectly to advance the Company's interests; and to contribute to, subsidize, or otherwise assist or take part in the construction, improvement, maintenance, development, working, management, carrying out, or control thereof.
- (51) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be thought fit.
- (52) To lend and advance money or give credit to any person or company; to guarantee, and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; to secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or company.

- (53) To borrow or raise or secure the payment of money in such manner as the Company may think fit and to secure the same or the repayment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the Company in any way and in particular by the issue of debentures perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital; and to purchase, redeem, or pay off any such securities.
- (54) To remunerate any person or company for services rendered, or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures, or other securities of the company, or in or about the organisation, formation, or promotion of the company or the conduct of its business.
- (55) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments.
- (56) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the Company.
- (57) To adopt such means of making known and advertising the business and products of the Company as may seem expedient.
- (58) To apply for, secure, acquire by grant, legislative enactment, assignment, transfer, purchase, or otherwise, and to exercise, carry out, and enjoy any charter, licence, power, authority, franchise, concession, right, or privilege, which any Government or authority or any corporation or other public body may be empowered to grant; and to pay for, aid in, and contribute towards carrying the same into effect; and to appropriate any of the Company's shares, debentures, or other securities and assets to defray the necessary costs, charges, and expenses thereof.
- (59) To apply for, promote, and obtain any statute, order, regulation, or other authorization or enactment which may seem calculated directly or indirectly to benefit the Company; and to oppose any bills, proceedings, or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (60) To procure the Company to be registered or recognised in any country or place outside Hong Kong.
- (61) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the Company.
- (62) To issue and allot fully or partly paid shares in the capital of the Company in payment or part payment of any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company.
- (63) To distribute any of the property of the Company among the members in kind or otherwise but so that no distribution amounting to a reduction of capital shall be made without the sanction required by law.

- (64) To take or hold mortgages, liens, and charges to secure payment of the purchase price, or any unpaid balance of the purchase price, of any part of the Company's property of whatsoever kind sold by the Company, or any money due to the Company from purchasers and others.
- (65) To carry out all or any of the objects of the Company and do all or any of the above things in any part of the world and either as principal, agent, contractor or trustee, or otherwise, and by or through trustees or agents or otherwise, and either alone or in conjunction with others.
- (66) To do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the Company.
- (67) To carry on any other business whether manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with any of the above business or objects or calculated directly or indirectly to enhance the value or render profitable any of the Company's property or rights for the time being.

It is hereby declared that:

- (i) where the context so admits the word "company" in this clause shall be deemed to include any government or any statutory, municipal or public body or any body corporate or incorporated association including a partnership or other body of persons whether or not incorporated and, if incorporated, whether or not a company within the meaning of the Companies Ordinance (Chapter 32), and whether domiciled in Hong Kong or elsewhere;
- (ii) the objects specified in each of the paragraphs of this clause shall be regarded as independent objects, and accordingly shall in no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company.

4. The liability of the members is limited.

\*5. The share capital of the Company is US\$1,000.00 divided into 10,000 ordinary shares of US\$0.10 each and the Company shall have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.

\* Pursuant to an Ordinary Resolution passed on 15th July, 1993, the authorised capital of the Company was increased from US\$1,000.00 divided into 10,000 ordinary shares of US\$0.10 each to US\$15,000,000.00 divided into 150,000,000 ordinary shares of US\$0.10 each.

\* Pursuant to an Ordinary Resolution passed on 25th May, 2007, the authorised capital of the Company was increased from US\$15,000,000.00 divided into 150,000,000 ordinary shares of US\$0.10 each to US\$30,000,000.00 divided into 300,000,000 ordinary shares of US\$0.10 each.

We, the several persons, whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:-

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
<p>For and on behalf of  <b>GROSVENOR NOMINEES LIMITED</b>  (Sd.) By Lawrence Chik-Yuen Cheung  Director  15th Floor  Three Exchange Square  8 Connaught Place  Hong Kong  Corporation</p> <p>For and on behalf of  <b>GREAT CHINA NOMINEES LIMITED</b>  (Sd.) By Lawrence Chik-Yuen Cheung  Director  15th Floor  Three Exchange Square  8 Connaught Place  Hong Kong  Corporation</p>	<p>1</p> <p>1</p>
<p>Total Number of Shares Taken .....</p>	<p>2</p>

Dated the 27th day of March, 1993.  
WITNESS to the above signatures:-

(Sd.) Elizabeth Ka-Yee Kan  
Director  
15th Floor  
Three Exchange Square  
8 Connaught Place  
Hong Kong

**THE COMPANIES ORDINANCE**

**COMPANY LIMITED BY SHARES**

**NEW ARTICLES OF ASSOCIATION**

(as adopted by special resolution passed on 15th July, 1993 and embodied all amendments passed by Special Resolutions up to 18th May, 2009)

**of**

**CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED**  
**招商局中國基金有限公司**

**PRELIMINARY**

1. (1) In these Articles, unless there is something in the subject or context inconsistent therewith, the following words bear the following meanings:

“Articles” or “these Articles”	the Articles of Association of the Company in their present form and all supplementary, amended or substituted articles for the time being in force
“Board” or “Directors”	the board of directors for the time being of the Company or (as the context may require) the majority of directors present and voting at a duly convened and constituted meeting of the directors
“call”	includes any instalment of a call
“capital”	the share capital from time to time of the Company
“clear days”	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

“Company”	China Merchants China Direct Investments Limited 招商局中國基金有限公司
“holder”	in relation to shares, the member whose name is entered in the register of members as the holder of the shares
“electronic communication”	a communication sent by electronic transmission in any form through any medium
“Entitled Person”	an “entitled person” as defined under the Ordinance
“Employment Benefit Plan”	<p>any employee benefit plan which meets the definition of an “employee pension benefit plan” or an “employee welfare benefit plan”.</p> <p>An “employee pension benefit plan” is any plan, fund, or program which is established or maintained by an employer or by an employee organisation, or by both, to the extent that by its express terms or as a result of surrounding circumstances such plan, fund or program:</p> <ul style="list-style-type: none"> <li>(a) provides retirement income to employees, or</li> <li>(b) results in a deferral of income by employees for periods extending to the termination of covered employment or beyond,</li> </ul> <p>regardless of the method of calculating the contributions made to the plan, the method of calculating the benefits under the plan or the method of distributing benefits from the plan.</p> <p>An “employee welfare benefit plan” is any plan, fund, or program which is established or maintained by an employer or by an employee organisation, or by both, to the extent that such plan, fund, or program is established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise:</p> <ul style="list-style-type: none"> <li>(a) medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability, death or unemployment, or vacation benefits, apprenticeship or other training programs, or day care centres, scholarship funds, or prepaid legal services; or</li> <li>(b) any benefit described in section 302(c) of the Labour Management Relations Act of 1947 of the United States (other than pensions on retirement or death, and insurance to provide such pensions)</li> </ul>

“Management Agreement”	the management agreement to be entered into between the Company and China Merchants China Investment Management Limited on the same day as these Articles are adopted as the new articles of association of the Company
“member” or “shareholder”	a person who is registered as the holder of shares in the capital of the Company
“Memorandum of Association”	the Memorandum of Association of the Company for the time being in force
“month”	calendar month
“Net Asset Value”	the net asset value of the Company calculated in accordance with the provisions described in the Company’s prospectus to be dated on or about 15th July, 1993
“Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and any amendments thereto or re-enactment thereof for the time being in force and includes every other ordinance incorporated therein or substituted therefor and in the case of any such substitution the references in these Articles to the provisions of the ordinance shall be read as references to the provisions substituted therefor in the new ordinance
“paid up”	paid up or credited as paid up
“Recognised Stock Exchange”	the Stock Exchange or any other stock exchange or market (including any over-the-counter market) or association of dealers of repute in securities in any part of the world on which the issued ordinary share capital of the Company is for the time being listed (and so that if such capital is so listed on more than one such exchange, market or association the “Recognised Stock Exchange” shall mean such one of them as is determined by the Board as that on which the Company has a primary listing)
“register”	the register of members to be kept pursuant to the Ordinance
“Registrar”	the registrar for the time being of the Company
“relevant financial documents”	the “relevant financial documents” as defined under the Ordinance
“seal”	the common seal from time to time of the Company and an official seal (if any) kept by the Company by virtue of section 73A of the Ordinance, or either of them as the case may require

“secretary”	the secretary of the Company or any other person authorised to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary
“share”	a share in the capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“summary financial report”	the “summary financial report” as defined under the Ordinance
“writing” and “printing”	include written or printed or printed by lithography or printed by photography or typewritten or produced by any other modes of representing words or figures in a visible form or, to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or partly in one visible form and partly in another visible form
“HK\$”	Hong Kong dollars
“US\$”	United States dollars

- (2) Save as aforesaid and unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Ordinance (except any statutory modification thereof not in force when these Articles become binding on the Company).
- (3) A reference to any Article by number is to the particular Article of these Articles.
- (4) The expressions “US persons” and “United States” have the respective meanings ascribed to them by Regulations under the United States Securities Act of 1933, as amended.
- (5) In these Articles, unless the context otherwise requires:
  - (a) words in the singular include the plural, and vice versa;
  - (b) words importing any gender shall include all genders;
  - (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons; and
  - (d) references to a committee of the Directors are to a committee established in accordance with these Articles, whether or not comprised wholly of the Directors.

- (6) The headings are inserted for convenience only and do not affect the construction of these Articles.
  - (7) References to a document being executed include references to its being executed under hand or under seal or, to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations, by electronic signature or by any other method. Reference to a document, to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations, include references to any information in visible form whether having physical substance or not.
2. The regulations contained in Table A in the First Schedule to the Ordinance do not apply to the Company.

### **CAPITAL AND SHARES**

3. The authorised share capital of the Company as at the date of adoption of these Articles is US\$15,000,000 divided into 150,000,000 ordinary shares of US\$0.10 each.
4.
  - (1) Without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights or privileges, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, if the Company has not so determined, as the Directors may determine) and any preference share may, with the sanction of a special resolution be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.
  - (2) The Directors may upon the prior approval of the members issue warrants to subscribe for any class of shares or securities of the Company on such terms as they may from time to time determine. Where share warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed and they have received an indemnity in satisfactory form with regard to the issue of any new warrant.
5. Subject to the provisions of the Ordinance and of these Articles relating to the new shares, all unissued shares in the Company including any new shares created upon an increase of capital shall be at the disposal of the Directors, who may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms and conditions as the Directors shall in their absolute discretion think fit, but so that no shares shall be issued at a discount, except in accordance with the provisions of the Ordinance.
6. The Company may by ordinary resolution, before the issue of any new shares, make any provisions as to the issue and allotment of such shares; including without prejudice to the generality of the foregoing, that the new shares, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holders of any class of shares in proportion to the number of shares of such class held by them respectively, but in default of any such determination the new shares may be dealt with as if they formed part of the capital of the Company existing prior to the issue of the new shares.
7. The Company may exercise the powers of paying commissions conferred by the Ordinance. Subject to the provisions of the Ordinance, any such commission may be satisfied by the

payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of share capital pay such brokerage as may be lawful.

8. Except as otherwise expressly provided by these Articles or as required by law, or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

### **VARIATION OF RIGHTS**

9.
  - (1) If at any time the capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.
  - (2) To every such separate general meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy or by authorised representative not less than one-third in nominal value of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every share held by him, that any holder of shares of the class present in person or by proxy or by authorised representative may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy or by authorised representative (whatever the number of shares held by him) shall be a quorum.
10. Unless otherwise expressly provided by the rights attached to any shares, those rights:
  - (a) shall be deemed to be varied by the reduction of the capital paid up on those shares and by the creation or issue of further shares ranking in priority for payment of a dividend or in respect of capital or which confer on the holders voting rights more favourable than those conferred by the first-mentioned shares;
  - (b) shall otherwise be deemed not to be varied by the creation or issue of further shares ranking *pari passu* with or subsequent to the first-mentioned shares; and
  - (c) shall be deemed not to be varied by the purchase by the Company of any of its own shares.

### **REGISTER OF MEMBERS AND SHARE CERTIFICATES**

11.
  - (1) The Directors shall cause to be kept a register of the members and there shall be entered therein the particulars required under the Ordinance.
  - (2) Subject to the provisions of the Ordinance, the Company may establish and maintain a branch register of members at such location outside Hong Kong as the Board thinks fit.

12. (1) Every certificate for shares or warrants or debentures or representing any other form of securities of the Company shall be issued under the seal of the Company.
- (2) Every share certificate issued shall specify the number and class of shares in respect of which it is issued and the amount paid up thereon, and may otherwise be in such form as the Directors may from time to time prescribe.
13. Every person whose name is entered in the register as a holder of any shares shall be entitled to receive within such period of time as prescribed by the Ordinance or the Rules Governing the Listing of Securities on the Stock Exchange after allotment or lodgement of a transfer to him of those shares (or within such other period as the terms of issue shall provide) one certificate for all those shares of any one class or several certificates each for one or more of the shares of the class in question upon payment, (i) in the case of an allotment, for every certificate after the first of such sum (if any) not exceeding the maximum amount prescribed from time to time by the Stock Exchange (or its equivalent at the relevant time in US dollars) or (ii) in the case of a transfer, for every certificate of such sum (if any) not exceeding the maximum amount prescribed from time to time by the Stock Exchange (or its equivalent at the relevant time in US dollars). In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member who transfers some but not all of the shares comprised in a certificate shall be entitled to a certificate for the balance with a fee (if any) not exceeding the maximum amount prescribed from time to time by the Stock Exchange.
14. (1) The Company shall not be bound to register more than four persons as joint holders of any share.
- (2) If any share stands in the names of two or more persons, the person first named in the register shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the share.
15. If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee (if any) not exceeding the maximum amount as may from time to time be prescribed by the Stock Exchange (or its equivalent at the relevant time in US dollars) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity as the Directors may determine and in the case of defacement or wearing-out on delivery up of the old certificate. In the case of loss or destruction the person to whom a replacement certificate is issued shall also bear and pay to the Company any exceptional costs and reasonable out-of-pocket expenses incidental to the investigation by the Company of the evidence of the destruction or loss and of the indemnity.

#### **LIEN**

16. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all amounts (whether presently payable or not) called in respect of that share or payable at a fixed time, and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid up shares) standing registered in the name of a member, whether singly or jointly with any other person or persons, for all the debts and liabilities of the member or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than the member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of the member or

his estate and any other person, whether a member of the Company or not. The Company's lien on a share shall extend to all amounts payable in respect of it. The Directors may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Article.

17. The Company may sell, in such manner as the Directors determine, any share on which the Company has a lien if an amount in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice in writing has been given to the holder of the share, or the person entitled to it in consequence of the death or bankruptcy of the holder, specifying the liability and demanding payment and stating that if the notice is not complied with the shares may be sold.
18. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the amount for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the share sold and subject to a like lien for any amount not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale. To give effect to the sale the Directors may authorise some person to execute an instrument of transfer of the share sold to, or in accordance with the directions of, the purchaser. The purchaser shall not be bound to see to the application of the proceeds of sale nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

#### **CALLS ON SHARES**

19. Subject to the terms of allotment, the Directors may from time to time make calls upon the members in respect of any amounts unpaid on their shares (whether in respect of nominal value or premium). A call may be required to be paid either in one sum or by instalments. The Directors may make arrangements on the issue of shares to differentiate between the holders in the amounts and times of payment of calls on their shares. A call may, before receipt by the Company of an amount due under it, be revoked in whole or in part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
20. Fourteen clear days' notice of any call shall be given specifying the time and place of payment and to whom the call shall be paid. A copy of the notice shall be sent to members in the manner in which notices may be sent to members by the Company as provided in these Articles. Every member upon whom a call is made shall pay the amount of every call made on him to the person and at the time and place as specified in the notice.
21. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
22. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of it.
23. The Directors may at their absolute discretion extend the time fixed for any call, and may similarly extend such time as to all or any of the members, whom from residence outside Hong Kong or other cause the Directors may deem entitled to any extension, but no member shall be entitled to any extension except as a matter of grace and favour.

24. If a call is not paid on or before the day appointed for payment the person from whom it is due shall pay interest on the amount unpaid, from the day appointed for payment until the time of the actual payment, at the rate fixed by the terms of allotment of the shares in question or in the notice of the call or, if no rate is fixed, at such rate not exceeding twenty per cent. per annum as the Directors may determine, but the Directors may waive payment of the interest wholly or in part.
25. No member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
26. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders, of the shares in respect of which the debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of the call was duly given to the member sued, in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made the call, nor any other matters whatsoever, but the proof of the matter aforesaid only shall be conclusive evidence of the existence of the debt.
27. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid all the relevant provisions of these Articles shall apply as if that sum had become due and payable by virtue of a call duly made and notified.
28. The Directors may if they think fit, receive from any member willing to advance all or any part of the amount unpaid on the shares held by him (beyond the sums actually called up) as a payment in advance of calls, and such payment shall, to the extent of it, extinguish the liability on the shares in respect of which it is advanced. The Company may pay interest on the amount so received, at such rate (not exceeding, without the sanction of the Company in general meeting, six per cent. per annum) as the Directors may determine but until a call is made any payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the shares or the due portion of the shares upon which payment has been advanced by the member before it is called up. The Directors may at any time repay the amount so advanced upon giving to the member not less than one month's notice in writing of their intention in that behalf, unless before the expiration of the notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

#### **FORFEITURE OF SHARES**

29. If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited. If the requirements of the notice are not complied with, any shares in respect of which it was given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends and other amounts

payable in respect of the forfeited shares and not paid before the forfeiture. The Directors may accept the surrender of any shares liable to be forfeited and in such cases references in these Articles to forfeiture shall include surrender.

30. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors may determine either to the person who was before the forfeiture the holder or to any other person and, at any time before the disposition, the forfeiture may be cancelled on such terms as the Directors may determine.
31. When any share shall have been forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be invalidated by any failure to give notice or to make the entry.
32. A person whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all amounts which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest thereon at the rate at which interest was payable on those amounts before the forfeiture or, if no interest was so payable, at such rate not exceeding twenty per cent. per annum as the Directors may determine from the date of forfeiture until payment, but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal. The liability of a person whose shares have been forfeited shall cease if and when the Company shall have received payment in full of all moneys due and payable in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.
33. A statutory declaration by a Director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer, if necessary) constitute a good title to the share. The Company may receive the consideration, if any, given for the share on any sale or disposal of it and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the forfeiture or disposal of the share.
34.
  - (1) Notwithstanding any forfeiture the Directors may at any time, before any shares so forfeited shall have been sold or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as they may determine.
  - (2) The forfeiture of a share shall not prejudice the right of the Company to any call already made thereon.

35. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same has been payable by virtue of a call duly made and notified.

### **STOCK**

36. The Company may by ordinary resolution convert any paid up shares into stock, and may from time to time by like resolution re-convert any stock into paid up shares of any denomination.
37. A holder of stock may transfer it or any part of it in the same manner, and subject to the same provisions of these Articles as would have applied to the shares from which the stock arose if they had not been converted, or as near thereto as circumstances admit, but the Directors may fix the minimum amount of stock transferable at an amount not exceeding the nominal amount of any of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.
38. A holder of stock shall, according to the amount of the stock held by him, have the same rights as if he held the shares from which the stock arose but no such right (except participation in dividends and in the assets on winding up of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right.
39. All the provisions of these Articles applicable to paid up shares shall apply to stock, and the words “share” and “member” shall include “stock” and “stockholder” respectively.

### **TRANSFER OF SHARES**

40. (1) All transfers of shares may be effected by an instrument of transfer in writing in the usual or common form or in such other form as prescribed by the Stock Exchange or in such other form as the Directors may accept and may be executed under hand or, if the transferor or transferee is a clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time.
- (2) The instrument of transfer of any share shall be executed by or on behalf of the transferor and the transferee provided that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. The Directors may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof.
41. Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person. The Directors may in their absolute discretion and without giving any reason, decline to register any transfer of shares which are not fully paid up to a person of whom they do not approve. The Directors shall not register a transfer to a person who is known to them to be an infant or a person of unsound mind or under any other legal disability but the Directors shall not be bound to enquire into the age of or soundness of mind or legal ability of any transferee.

42. The Directors may also decline to register a transfer of a share unless:
- (a) the instrument of transfer is lodged, at the office of the Registrar of the Company or at such other place as the Directors may direct and is accompanied by the certificate for the share to which it relates (which shall upon registration be cancelled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
  - (b) the instrument of transfer is in respect of only one class of share;
  - (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
  - (d) in the case of a transfer to joint holders, the number of joint holders does not exceed four;
  - (e) the shares concerned are free of any lien in favour of the Company; and
  - (f) such fee (if any) not exceeding the maximum amount as may from time to time be prescribed by the Stock Exchange (or its equivalent at the relevant time in US dollars) as the Directors may require is paid to the Company.
43. If the Directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal.
44. The Directors shall have power to impose such restrictions (including restrictions on transfers) as they may think necessary for the purpose of ensuring that no shares in or warrants of the Company are acquired or held by any persons in breach of the Articles or in breach of or are held or acquired in any way which will lead to the imposition of the requirements of any country or governmental authority. In particular, but without prejudice to the generality of the foregoing, shares or warrants may not be transferred, without the specific consent of the Directors, to US persons or to Employee Benefit Plans, no transfer will be registered which may result in more than one hundred US persons being beneficial owners of shares or securities convertible into shares at any time for the purposes of section 3(c) of the United States Investment Company Act of 1940 (as amended) (the "Investment Company Act"), no transfer will be registered which may result in more than ten per cent. of the then issued share capital or securities convertible into shares of the Company being held at any one time by a US person and no transfer will be registered which may result in more than twenty-five per cent. of the then issued share capital or securities convertible into shares of the Company being held by Employee Benefit Plans. Notwithstanding the above the Directors may at their discretion give their consent generally to certain categories of offers, sales or transfers of shares or warrants to specific categories of persons and may impose as a condition of such consents the receipt of certifications from the purchasers or subscribers or transferors or transferees (or any of them) as to their status and in particular as to whether they are a US person or an Employee Benefit Plan.
45. The Directors may upon an application for shares or on a transfer of shares or warrants or at any other time or from time to time require such evidence to be furnished to them in this connection as they in their discretion deem sufficient and in default of such evidence being

furnished to their satisfaction, the Directors may require the transfer of such shares or warrants in accordance with Article 47 hereof.

46. The Company may, if required to do so by law, or by any authority or by any Recognised Stock Exchange, make available to such authority or Recognised Stock Exchange such evidence or information which may have been furnished to or which may come into the possession of the Company as regards the identity of a holder of shares or warrants and/or the qualification of such holder to hold or to continue to hold such shares or warrants and the Company shall not be liable to such holder for any loss occasioned by reason of such disclosure.
47. Without prejudice to the generality of Articles 44, 45 and 46, if it shall come to the notice of the Directors that any shares or warrants are owned directly or indirectly or beneficially by any person (a “non-qualifying person”) in breach of any law or so that, in the opinion of the Directors, the tax status or residence of the Company is or may be prejudiced or the Company may suffer any pecuniary disadvantage or the Company would be required to comply with any registration or filing requirements in any jurisdiction, with which it would not otherwise be required to comply or may result in the assets of the Company being deemed to be “plan assets” for the purposes of the United States Employee Retirement Income Security Act of 1974 (as amended) or may require the registration of the Company as an “investment company” under the Investment Company Act, the Directors may require the secretary to give notice (a “Transfer Notice”) to such person requiring him to transfer such shares or warrants to a person who is qualified or entitled to own the same and, who would not, if such shares or warrants were transferred to him, be a non-qualifying person. Until such transfer is effected the holder of such shares or warrants shall not be entitled to any rights or privileges attaching to such shares or warrants. If any person upon whom a Transfer Notice is served pursuant to this Article does not within thirty days after the despatch of the Transfer Notice transfer his shares or warrants to a person who would not, if such shares or warrants were transferred to him, be a non-qualifying person or establish to the satisfaction of the Directors (whose judgment shall be final and binding) that the first named person is not a non-qualifying person, the Company shall be deemed to have received from such person irrevocable authority to sell and transfer such shares or warrants on behalf of such person to such party or parties as may be designated by the Directors at a price to be fixed in accordance with Article 48 or may compulsorily redeem such shares at such price or such warrants at such other price as may be specified in the terms and conditions thereof.
48. The price of the shares to be transferred or compulsorily redeemed pursuant to Article 47 shall, unless (in the case of a transfer) the transferor and the transferee of such shares have agreed otherwise, be the lower of the market price and the Net Asset Value per share at the date of transfer or redemption (as the case may be) less, in the case of a redemption, an amount equal to any duties and charges which would be incurred upon the disposal of the Company’s investments as at such date. The price of the warrants to be transferred pursuant to Article 47 shall, unless the transferor and the transferee of such warrants have agreed otherwise, be the lower of the market price and the compulsory redemption price as may be specified in the terms and conditions thereof.
49. The shares or warrants may not be offered, sold, transferred or delivered, directly or indirectly to, or for the account of, a US person at any time without the prior consent of the Directors, which consent may be granted or withheld in the sole discretion of the Directors but which will not in any case be granted if, as the result thereof, the number of beneficial owners of shares or securities exchangeable into shares who are US persons (including, without prejudice to the

generality of the foregoing, as a result of the application of the attribution provisions of section 3(c)(1)(A) of the Investment Company Act) would be more than 100. The Directors may at their discretion give their consent generally to certain categories of offers sales or transfers of shares or warrants to specific categories of US persons and may impose as a condition of such consents the receipt of certification from the purchasers or subscribers, transferors or transferees (or any of them) as to their US person status.

50. In order to give effect to the following restrictions the Company may, at any time, require certification or other evidence from any transferee of shares or warrants as to whether such transferee is or is not (or is or is not acquiring the shares or warrants for the account or benefit of):
- (a) a US person;
  - (b) an Employee Benefit Plan;
  - (c) a person holding shares (or other securities of the Company) comprising 10 per cent. or more of the outstanding voting securities of the Company in circumstances where the beneficial ownership of such shares or securities could be attributed to the holders of that person's outstanding securities under the provisions of section 3(c)(1)(A) of the Investment Company Act; and
  - (d) acquiring the shares or warrants with a view to offering or selling such shares or warrants within the United States or to US persons.
51. A person, who by reason of any restriction imposed pursuant to the Articles, was not qualified to acquire or ceases to be qualified to hold all or any of the shares or warrants registered in his name or who becomes aware that he is holding or owning shares or warrants in breach of any law or any country or governmental authority or by virtue of any such law he is not qualified to hold such shares or warrants, or that such holding will, or is likely to, cause a pecuniary or tax disadvantage to the Company or to any other holder of shares or warrants, shall forthwith transfer such shares or warrants to a person who is not by the provisions of the Articles prohibited from holding such shares or warrants.
52. The exercise of the powers conferred by Article 47 shall not be questioned or invalidated in any case on the ground that there was insufficient evidence of ownership of shares or warrants by any person or that the true ownership of any shares or warrants was otherwise than that appearing to the Directors at the relevant date; provided that the said powers shall have been exercised in good faith.
53. The Directors may at any time and from time to time call upon any holder of shares or warrants by notice in writing to provide such information and evidence as they shall require upon any matter connected with, or in relation to, such holder of shares or warrants. In the event of such information and evidence not being so provided within a reasonable time (not being more than fourteen days after service of the notice requiring the same) the Directors may serve such holder of shares or warrants with a Transfer Notice, whereupon the provisions of Article 47 shall *mutatis mutandis* apply.
54. The registration of transfers may be suspended and the register closed at such times and for such periods as the Directors may determine and either generally or in respect of any class of shares, provided always that registration shall not be suspended or the register closed for more

than thirty days in any year or, if the Company in general meeting approves, sixty days in any year.

55. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued with a fee not exceeding the maximum amount as may from time to time be prescribed by the Stock Exchange to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall be issued to him with a fee not exceeding the maximum amount as may from time to time be prescribed by the Stock Exchange.
56. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall (except in the case of fraud) be returned to the person lodging it when notice of the refusal is given.

### **TRANSMISSION OF SHARES**

57. If a member dies the survivor or survivors where the deceased was a joint holder, or his legal personal representatives where he was a sole holder shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
58. A person becoming entitled to a share in consequence of the death or bankruptcy of a member or by operation of law may, upon such evidence as to his title being produced as may be required by the Directors, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the shares by the original member before the event giving rise to the transmission. The merger of any two or more corporations under the laws of one or more foreign countries or states shall constitute a transmission by operation of law for the purpose of this Article.
59. If the person so becoming entitled elects to be registered himself he shall give notice in writing to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the transmission had not occurred and the notice or transfer were signed by the original holder.
60. A person becoming entitled to a share by operation of law shall be entitled to the same rights to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any general meeting or at any separate meeting of the holders of any class of shares. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

## **UNTRACED MEMBERS**

61. (1) The Company shall be entitled to sell at the best price reasonably obtainable any share held by a member, or any share to which a person is entitled by transmission, if:
- (a) for a period of twelve years no cheque or warrant for amounts payable in respect of the share sent and payable in a manner authorised by these Articles has been cashed and the Company has received no indication of the existence of the member or other person concerned;
  - (b) during that period at least three dividends in respect of the share have become payable;
  - (c) the Company has, after the expiration of that period, published an advertisement in one or more newspapers as prescribed by the rules for the time being of the Stock Exchange giving notice of its intention to sell such share and notified the Stock Exchange of such intention; and
  - (d) the Company has not during the further period of three months after the date of the advertisement and prior to the sale of the share received any communication from the member or person concerned.
- (2) To give effect to the sale the Company may appoint any person to execute an instrument of transfer of the share, and the instrument shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, the share. The purchaser shall not be bound to see to the application of the proceeds of sale, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the sale. The Company shall be indebted to the member or other person entitled to the share for an amount equal to the net proceeds of the sale, but no trust or duty to account shall arise and no interest shall be payable in respect of the proceeds of sale.

## **ALTERATION OF CAPITAL**

62. The Company may by ordinary resolution whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not increase its share capital by the creation of new shares such new capital to be of such amount and to be divided into shares of such amounts as the resolution shall prescribe.
63. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Articles with reference to the payment of calls, transfer and transmission, lien, forfeiture, cancellation, surrender, voting and otherwise.
64. (1) The Company may by ordinary resolution:
- (a) consolidate all or any of its share capital into shares of larger or smaller amount than its existing shares;

- (b) subject to the provisions of the Ordinance, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association;
  - (c) determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others; and
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
- (2) On any consolidation of fully paid up shares into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any persons shall become entitled to fractions of a consolidated share or shares, the Directors may on behalf of those members sell to any person (including, subject to the provisions of the Ordinance, the Company) the shares representing the fractions for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion among those members or retain the net proceeds for the benefit of the Company, and the Directors may authorise some person to execute an instrument of transfer of the share to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
65. Subject to the provisions of the Ordinance, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account.

### **PURCHASE OF OWN SHARES**

66. The Company may exercise any powers conferred or permitted by the Ordinance or any other applicable statute from time to time to acquire its own shares or to give directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company and should the Company acquire its own shares neither the Company nor the Directors shall be required to select the shares to be acquired rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares but that any such acquisition or financial assistance shall only be made or given in accordance with any relevant rules or regulations issued by the Stock Exchange or the Securities and Futures Commission or any other relevant regulatory authorities from time to time.
67. Subject to the provisions of the Ordinance and the rules of the Stock Exchange, the Company may purchase its own shares or any securities which carry a right to subscribe for its own shares or purchase its own shares in accordance with the provisions of any code governing the purchase of securities which may be applicable to the Company.

## **GENERAL MEETINGS**

68. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Directors shall appoint.
69. All general meetings other than annual general meetings shall be called extraordinary general meetings.
70. The Directors may call general meetings and on a member's requisition under section 113 of the Ordinance shall forthwith convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition in default of which the requisitionists may themselves convene an extraordinary general meeting. If there are not within Hong Kong sufficient Directors to call a general meeting, any Director or, if there is no Director within Hong Kong, any member of the Company may call a general meeting.

## **NOTICE OF GENERAL MEETINGS**

71. (1) An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one clear days' notice in writing at the least, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by at least fourteen clear days' notice in writing.
- (2) The notice shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that subject to the provisions of the Ordinance, a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:
- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.
72. (1) The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at that meeting.
- (2) In cases where instruments of proxy are sent out with notices the accidental omission to send such instrument of proxy to, or the non-receipt of the instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or, any proceeding at any such meeting.

## PROCEEDINGS AT GENERAL MEETINGS

73. All business shall be deemed special that is transacted at an extraordinary general meeting. All business that is transacted at an annual general meeting shall also be deemed special, with the exception of the declaration of dividends, the consideration of the accounts and balance sheet and the reports of the Directors and auditors and other documents required to be annexed to the balance sheet, the election of Directors in the place of those retiring (whether by rotation or otherwise) and the reappointment of the retiring auditors (other than retiring auditors who have been appointed by the Directors to fill a casual vacancy) and the fixing, or the determination of the method of fixing, of the remuneration of the Directors and of the auditors.
74. No business shall be transacted at any general meeting unless a quorum is present but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting. Three persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.
75. If a quorum is not present within fifteen minutes from the time appointed for holding the meeting, or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such day, time and place as the Directors may determine. If at the adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, any two members present in person shall be a quorum and may transact the business for which the meeting was called.
76. The chairman (if any) of the Board or, in his absence the deputy chairman (if any) shall take the chair at every general meeting. If there is no such chairman or deputy chairman or if at any meeting neither the chairman nor the deputy chairman is present within fifteen minutes after the time appointed for holding the meeting or is willing to act as chairman, the Directors present shall elect one of their number present to be chairman and, if there is only one Director present and willing to act, he shall be chairman. If no Director is willing to act as chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, then the members present shall choose one of their own number to be chairman.
77. A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares.
78. The chairman may, with the consent of a general meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' written notice specifying the date, time and place of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in the notice the nature of the business to be transacted at the adjourned meeting.
79. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by the Articles or by the Ordinance. In the event of an equality of votes whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote in addition to any other vote he may have.

80. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Rules Governing the Listing of Securities on the Stock Exchange or any other applicable laws, rules or regulations or unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Ordinance, a poll may be demanded:
- (a) by the chairman; or
  - (b) by not less than three members present in person or by proxy or authorised representative for the time being entitled to vote at the meeting; or
  - (c) by a member or members present in person or by proxy or authorised representative and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d) by a member or members present in person or by proxy or authorised representative and holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
81. Unless a poll is taken as may from time to time be required under the Rules Governing the Listing of Securities on the Stock Exchange or any other applicable laws, rules or regulations or unless a poll is duly demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
82. (1) The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- (2) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
83. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs, not being more than thirty days after the poll is demanded. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting in respect of which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

## VOTES OF MEMBERS

84. (1) Subject to any special rights, privileges or restrictions as to voting attached to any class or classes of shares, at any general meeting on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative who is not himself a member entitled to vote or by proxy, shall have one vote, and on a poll every member present in person or by proxy or by duly authorised representative shall have one vote for every fully paid up share of which he is the holder and have for every partly paid share of which he is the holder the fraction of one vote equal to the proportion which the nominal amount due and paid up thereon bears to the nominal value of the share, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share.
- (2) On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses the same way.
85. Any person entitled under Article 58 to be registered as a shareholder may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that at least forty-eight hours before the time of the holding of the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Directors of his right to be registered as the holder of the shares or the Directors shall have previously admitted his right to vote at the meeting.
86. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction (whether in Hong Kong or elsewhere) in cases of mental disorders may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court and any such committee, receiver, curator bonis or other person may on a poll vote by proxy.
87. (1) No member shall be entitled to be present, be reckoned in a quorum and vote (save as proxy for another member) at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy or authorised representative, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.
- (2) Where the Company has knowledge that any member is, under any applicable laws or the Rules Governing the Listing of Securities on the Stock Exchange from time to time, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.
88. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy or by authorised representative, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

89. No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is tendered. Subject to any objection made in due time, every vote counted and not disallowed at the meeting shall be valid for all purposes and every vote disallowed or not counted shall be invalid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
90. Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
91. An instrument appointing a proxy shall be in writing in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the appointor or of his attorney duly authorised in writing. A corporation may execute a form of proxy either under its common seal or under the hand of a duly authorised officer.
92. The instrument appointing a proxy and any power of attorney or other authority under which it is executed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place in Hong Kong as is specified in the notice convening the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in the instrument proposes to vote and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or adjournment or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
93. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.
94. The instrument appointing a proxy to vote at a general meeting shall be deemed to confer authority upon the proxy to demand or join in demanding a poll and to vote on any resolution (or amendment thereto) put to the meeting for which it is given as the proxy thinks fit. Unless the contrary is stated therein, the instrument appointing a proxy shall be valid as well for any adjournment of the meeting as for the meeting to which it relates.
95. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or power of attorney or other authority under which the proxy was executed or transfer of the share in respect of which the proxy is given provided that no intimation in writing of the death, insanity, revocation or transfer has been received by the Company at its registered office, or at such other place as was specified for the deposit of the instrument of proxy at least two hours before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.
96. Any corporation which is a member of the Company may, by resolution of its directors or other governing body, or by power of attorney authorise such person as it thinks fit to act as its

representative at any meeting of the Company, or at any separate meeting of the holders of any class of shares. Except as otherwise provided in these Articles, the person so authorised shall be entitled to exercise the same power on behalf of the corporation as the corporation could exercise if it were an individual member of the Company, and the corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

- 96A. Where that shareholder and/or warrant holder is a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any shareholders' meetings or any meetings of any class of shareholders and/or warrant holders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise if it were an individual shareholder and/or warrant holder of the Company.

#### **REGISTERED OFFICE**

97. The registered office of the Company shall be at such place in Hong Kong as the Directors shall from time to time appoint.

#### **DIRECTORS**

98. Unless otherwise determined by the Company by ordinary resolution the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two. A Director need not hold any qualification share.
99. Subject to the provisions of the Articles and the Ordinance, the Company may by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an additional Director, and may also determine the rotation in which any additional Directors are to retire.
100. No person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company provided that the minimum length of the period, during which such notices are given, shall be at least seven days. The period for lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.
101. Without prejudice to the power of the Company pursuant to these Articles to appoint any person to be a Director and subject to the Ordinance, the Directors may appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. A Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

102. The Company shall keep at its registered office a register containing all particulars of its Directors as are required by the Ordinance to be kept therein and shall send to the Registrar of Companies a copy of the register and shall from time to time notify to the Registrar of Companies any change that takes place in the Directors or their particulars as required by the Ordinance.
103. (1) The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors (if such sum is less than HK\$3 million annually for the Directors in aggregate) or by the Company in general meeting (if such sum is HK\$3 million or more annually for the Directors in aggregate), such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Directors may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during the period for which he has held office. The foregoing provisions shall not apply to a Director who holds any salaried employment or office in the Company except in the case of sums paid in respect of Directors' fees.
- (2) The Directors shall also be entitled to be repaid all travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company.
- (3) The Board may grant special remuneration to any Director who performs services which the Board considers go beyond the ordinary duties of a Director. Such special remuneration may be made payable to the Director in addition to or in substitution for his ordinary remuneration as a Director and may be made payable by way of salary, bonus, commission, participation in profits or otherwise as may be agreed.
- (4) Notwithstanding the above, the remuneration of a managing director or other executive director or a Director appointed to any other office in the management of the Company shall be fixed by the Directors and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowance as the Directors may determine. Such remuneration shall be in addition to his remuneration as a Director.
104. The Directors may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and holding or who have held any salaried employment or office in the Company or such other company, and the wives, widows, families and dependants of any such persons. The Directors may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, and may make payments for or towards the

insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. The Directors may do all or any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

### **ROTATION OF DIRECTORS**

105. Subject to the manner of retirement by rotation of Directors as from time to time prescribed under the Rules Governing the Listing of Securities on the Stock Exchange, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A Director retiring at a meeting shall remain in office until the close of the meeting.
106. The Directors to retire by rotation shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
107. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Directors at the date of the notice convening the annual general meeting and no Director shall be required to retire or be relieved from retiring by reason of any change in the number and identity of the Directors after the date of the notice but before the close of the meeting. The retiring Directors shall be eligible for re-election.
108. The Company at any general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.
109. If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been re-elected and shall continue in office until the next annual general meeting unless at the meeting it is resolved to reduce the number of Directors or to leave the vacancy unfilled or a resolution for the re-election of the Director is put to the meeting and lost.
110. At a general meeting a motion for the election of two or more persons as the Directors by a single resolution shall not be made, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purposes of this Article a motion for approving a person's election or for nominating a person for election shall be treated as a motion for his election.

### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

111. Without prejudice to the provisions of the Ordinance, the Company may, by ordinary resolution, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and the Director (but such removal shall be without prejudice to any claim to damages for breach of any contract of service between the Director and the Company) and, subject to these Articles, may, by ordinary resolution, elect another person instead of him. A person so elected shall hold office for such time only as the Director in whose place he is elected would have held the same if he

had not been removed.

112. The office of a Director shall be vacated if:
- (a) he ceases to be a Director by virtue of any provision of the Ordinance or he becomes prohibited by law from being a Director; or
  - (b) he becomes bankrupt or has a receiving order made against him or suspends payment or makes any arrangement or composition with his creditors generally; or
  - (c) he resigns his office by notice in writing to the Company; or
  - (d) he becomes of unsound mind and the Directors resolve that his office be vacated; or
  - (e) he is convicted of an indictable offence; or
  - (f) in the case of a Director who holds any executive office, his appointment as such is terminated or expires and the Directors resolve that his office be vacated; or
  - (g) he is absent for more than six consecutive months without permission of the Directors from meetings of the Directors held during that period and his alternate Director (if any) shall not during that period have attended instead of him and the Directors resolve that his office be vacated; or
  - (h) he is removed from office by notice in writing served upon him signed by all the other Directors; or
  - (i) he is removed from office by an ordinary resolution of the Company under Article 111.
113. Subject to the provisions of the Ordinance no Director shall be ineligible for re-election or reappointment as a Director and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age.

#### **POWERS AND DUTIES OF DIRECTORS**

114. The management of the business of the Company shall be vested in the Directors who, subject to the provisions of the Ordinance, the Memorandum of Association and these Articles and to any directions given by special resolution, may exercise all the powers of the Company. No alteration of the Memorandum of Association or these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The general powers given by this Article shall not be limited by any special power given to the Directors by these Articles.
115. Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Directors shall have the following powers:
- (a) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed; and
  - (b) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general

profits of the Company either in addition to or in substitution for a salary or other remuneration.

116. The Directors shall cause minutes to be duly entered in books provided for the purpose:
- (a) of all appointments of officers made by the Directors;
  - (b) of the names of the Directors present at each meeting of the Directors and of any committee of Directors;
  - (c) of all declarations made or notices given by any Director (either generally or specially) of his interest in any contract or proposed contract or of his holding of any office or property whereby any conflict of duty or interest may arise; and
  - (d) of all resolutions and proceedings of general meetings of the Company and of meetings of the Directors and any committee of Directors;

and any such minutes of any general meeting of the Company or any meeting of the Directors or of any committee of Directors shall be signed by the chairman of such meeting or by the chairman of the next succeeding meeting and if so signed shall be receivable as conclusive evidence of the matters stated herein.

#### **BORROWING POWERS**

117. (1) The Directors may exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof.
- (2) The Directors may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they may determine and, in particular by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (3) Debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- (4) Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
118. (1) The Directors shall cause a proper register to be kept, in accordance with the provisions of the Ordinance, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Ordinance in regard to the registration of mortgages and charges therein specified and otherwise.
- (2) If the Company issues a series of debentures or debenture stock not transferable by delivery, the Board shall cause a proper register to be kept of the holders of such debentures in accordance with the provisions of the Ordinance.

- (3) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the members or otherwise, to obtain priority over such prior charge.

### **DELEGATION OF DIRECTORS' POWER**

119. The Directors may, by power of attorney or otherwise, appoint any company, firm or person, whether nominated directly or indirectly by the Directors, to be the agent of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may determine, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may determine. The Directors may revoke or vary any such appointment or delegation and may also authorise the agent to sub-delegate all or any of the powers vested to him.
120. The Directors may establish any local committees, boards or agencies for managing any of the affairs of the Company, either in Hong Kong or elsewhere, and may appoint any persons to be members of such committees, boards or agencies and may appoint any manager or agents (and in particular, but without limitation, may appoint any company, firm or person to be the Company's investment manager) and may in each case fix their remuneration and may delegate to any local committee, board and agency any of the powers, authorities and discretion vested in the Directors (other than their powers to make calls and forfeit shares) with power to sub-delegate and may authorise the members of any local committee, board or agency or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be upon such terms and subject to such conditions as the Directors may determine and the Directors may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
121. The Directors may appoint one or more of their body (who is an executive Director) to the office of managing director, and/or such other office in the management or business of the Company on such terms and for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.
122. A Director appointed to an office under Article 121 shall be subject to the same provisions as to removal as the other Directors of the Company and he shall (subject to the provisions of any contract between him and the Company) immediately cease to hold such office if he shall cease to hold the office of Director for any cause.
123. The Directors may entrust to and confer upon a managing director, or a Director appointed to any other office in the management or business of the Company any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they may determine and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers but no person dealing in good faith and without notice of such revocation, withdrawal, alteration or variation shall be affected thereby.

## **DIRECTORS' INTERESTS**

124. (1) A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Directors may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.
- (2) A Director may act by himself or by his firm in a professional capacity for the Company (otherwise than as auditors) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (3) A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested and shall not be liable to account to the Company or the members for any remuneration or other benefit received by him as director or officer of or from his interest in such other company. The Directors may also cause the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner and in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing themselves or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
125. (1) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).
- (2) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director together with any of his associates own five per cent. or more.
126. Subject to the Ordinance and to Article 127, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of the Director holding that office or of the fiduciary relationship thereby established.

127. (1) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.
- (2) For this purpose, a general notice to the Board by a Director to the effect that:
- (a) he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
  - (b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him,

shall be deemed to be a sufficient declaration of interest in relation to any such contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next board meeting after it is given.

128. (1) A Director shall not vote on any resolution of the Board approving any contract, arrangement or proposal in which he or to his knowledge any of his associate(s) is/are materially interested, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum on such resolution of the Board, but this prohibition shall not apply to any of the following matters namely:
- (a) any contract or arrangement for the giving by the Company of any security or indemnity to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company and any of its subsidiaries;
  - (b) any contract or arrangement for the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has/have himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (c) any contract, arrangement or proposal concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (d) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;

- (e) any contact, arrangement or proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in five per cent. or more of the issued shares of any class of shares of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
  - (f) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the Directors, his associates and employees of the Company or any of its subsidiaries and does not give the Director or his associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
  - (g) any proposal or arrangement concerning the adoption, modification or operation of any share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or any of its subsidiaries under which the Director or his associate(s) may benefit.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) own(s) five per cent. or more if and so long as (but only if and so long as) he and/or his associate(s) is/are (either directly or indirectly) the holder(s) of or beneficially interested in five per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest or that of any of his associates is derived) or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (3) Where a company in which a Director and/or his associate(s) hold(s) five per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) For the purpose of this Article 128, associate(s) has the meaning ascribed thereto in the Rules Governing the Listing of Securities on the Stock Exchange.
129. If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) and/or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the

nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board. For the purpose of this Article 129, associate(s) has the meaning ascribed thereto in the Rules Governing the Listing of Securities on the Stock Exchange.

130. In so far as it is required by the Rules Governing the Listing of Securities on the Stock Exchange, a Director shall not vote (nor be counted in the quorum) on any resolution of the shareholders in respect of any contract or arrangement in which he is to his knowledge materially interested but this prohibition shall not apply to any of the contracts or arrangements specified as (a) to (g) inclusive in Article 128.

### **PROCEEDINGS OF DIRECTORS**

131. (1) Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit.
- (2) The Directors or any committee of the Directors may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other. A Director may, and the secretary at the request of a Director shall, at any time summon a meeting of the Board. Notice thereof shall be given to each Director and alternate Director either in writing or by telephone, facsimile transmission, telex or telegram at the address from time to time notified to the Company by such Director or in such other manner as the Directors may from time to time determine, provided that notice need not be given to any Director or alternate Director for the time being absent from Hong Kong. A Director may waive notice of any meeting either prospectively or retrospectively.
- (3) If a Director notifies the Company in writing of an address in Hong Kong at which notice of meetings of the Directors is to be given to him when he is absent from Hong Kong, he shall, if so absent, be entitled to have notice given to him at that address; but the Company shall not be obliged by virtue of this paragraph to give any Director a longer period of notice than he would have been entitled to had he been present in Hong Kong at that address.
132. No business shall be transacted at any meeting of the Directors unless a quorum is present. The quorum may be fixed by the Directors and unless so fixed at any other number shall be two. Any Director who ceases to be a Director at a meeting of the Directors may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting if no other Director objects and if otherwise a quorum would not be present. An alternate Director who is not himself a Director shall, if his appointor is not present, be counted in the quorum but notwithstanding that an alternate Director is an alternate for more than one Director he shall for quorum purposes count as only one Director.
133. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Articles for the time being vested in or exercisable by the Directors generally.

134. Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote; and an alternate Director who is appointed by two or more Directors shall be entitled to a separate vote on behalf of each of his appointors in the appointor's absence.
135. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
136. The Directors may elect from their number, and remove, a chairman and a vice-chairman of the Board and determine the period for which he is to hold office. The chairman, or in his absence the vice-chairman, shall preside at all meetings of the Directors, but if no chairman or vice-chairman is elected or appointed, or if at any meeting neither the chairman nor the vice chairman is present within five minutes after the time appointed for the meeting, the Directors present may choose one of their number to be chairman of the meeting.
137. The Directors may delegate, and impose regulations in respect of such delegation of, any of their powers authorities and discretions to committees consisting of such member or members of their body as the Directors may determine, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to person or purposes, and every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Directors.
138. All acts done by any such committee in conformity with such regulations, and in fulfilment of the purposes for which it is appointed, but not otherwise, shall have the like force and effect, as if done by the Directors, and the Directors shall have power, with the consent of the Company in general meeting, to remunerate the members of any special committee, and charge such remuneration to the current expenses of the Company.
139. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors.
140. All acts bona fide done by a meeting of the Directors, or of a committee of the Directors, or by a person acting as a Director, shall notwithstanding that it may afterwards be discovered that there was a defect in the appointment of any Director or person acting as aforesaid or that they or any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of such committee and had continued to be a Director and had been entitled to vote.
141. A resolution in writing signed by all the Directors other than those absent from Hong Kong shall be as valid and effectual as if it had been passed at a meeting of the Directors, duly convened and held, and may consist of several documents in the like form each executed by one or more Directors, but a resolution executed by an alternate Director need not also be executed by his appointor and, if it is executed by a Director who has appointed an alternate

Director, it need not also be executed by an alternate Director in that capacity.

### **ALTERNATE DIRECTORS**

142. Any Director (other than an alternate Director) may appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate Director and may remove from office an alternate Director appointed by him. An appointment of an alternate Director under this Article shall not prejudice the right of the appointor to receive notice of and to attend and vote at meetings of the Directors and the powers of the alternate Director shall automatically be suspended during such time as the Director appointing him is himself present in person at a meeting of the Directors.
143. An alternate Director shall (except when absent from Hong Kong) be entitled to receive notices of meetings of the Directors and of committees of the Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not present, and generally at such meeting to perform all the functions of his appointor as a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from Hong Kong or temporarily unable to act through ill-health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor.
144. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointer may by notice in writing to the Company from time to time direct.
145. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director; but, if a Director retires by rotation or otherwise and is re-elected or deemed to have been re-elected at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his re-election.
146. An appointment or removal of an alternate Director shall be by notice to the Company executed by the Director making or revoking the appointment or in any other manner approved by the Directors.
147. Save as otherwise provided in these Articles, an alternate Director so appointed shall be deemed to be the agent of the Director who appoints him. A Director who appoints an alternate Director shall be vicariously liable for any tort committed by the alternate Director while acting in the capacity of alternate Director.

### **SECRETARY**

148. Subject to the provisions of the Ordinance, the secretary and any deputy or assistant secretary shall be appointed by the Directors for such term, at such remuneration and on such other conditions as the Directors may determine; and any secretary so appointed may be removed by them. Anything by the Ordinance or the Articles required or authorised to be done by or to the secretary, if the office is vacant or there is for any other reason no secretary capable of acting,

may be done by or to any assistant or deputy secretary or if there is no assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Directors.

149. The secretary shall, if an individual, ordinarily reside in Hong Kong and, if a body corporate, have its registered office or a place of business in Hong Kong.
150. A provision of the Ordinance or the Articles requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the secretary.

### **CHEQUES**

151. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be, in such manner as the Directors shall from time to time by resolution determine. The Company's banking account shall be kept with such banker or bankers as the Directors shall from time to time determine.

### **MANAGER**

152. The Directors may from time to time appoint a general manager, a manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits or gains of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.
153. The appointment of a general manager, manager or managers may be for such period as the Directors may decide, and the Directors may confer upon him or them all or any of the powers of the Directors as they may think fit.
154. Subject to Article 145 the Directors may enter into a agreement or agreements with any general manager, manager or managers upon such terms and conditions in all respects as the Directors may in their absolute discretion think fit, including a power for the general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

### **MANAGEMENT AGREEMENT**

155. No management agreement other than the Management Agreement may be entered into after the adoption of these Articles nor may the Management Agreement (or any amended or substituted version thereof approved or adopted in accordance with the provisions of this Article) be changed or altered in any material respect unless approved by the Company in general meeting by way of ordinary resolution, but no approval shall be required if:
  - (a) the terms of any new management agreement entered into on the appointment of a new manager do not materially differ from those in force with the former manager on the termination of its appointment; or

- (b) the Directors and the manager each certify that such change or alteration does not prejudice the interests of the members or any of them and does not alter the fundamental provisions or objects of the management agreement or operate to release the manager from any responsibility to the Company.

### **THE SEAL**

- 156. (1) The Directors shall provide for the safe custody of the seal which shall be used only by the authority of a resolution of the Directors or of a committee of the Board. The Directors may determine whether any instrument to which the seal is affixed, shall be signed and, if it is to be signed, who shall sign it.
- (2) Unless otherwise determined by the Directors:
  - (a) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the seal in respect of any shares, debentures or other securities, need not be signed and any signature may be applied to any such certificate by any mechanical or other means or may be printed on it; and
  - (b) every other instrument to which the seal is affixed shall be signed by one Director and by the secretary or another Director.
- 157. Subject to the provisions of the Ordinance, the Company may have an official seal for use abroad where and as the Directors shall determine, and the Company may by writing under the seal appoint any agent or agents, committee or committees abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and they may impose such restriction on the use thereof as may be thought fit.

### **DIVIDENDS AND RESERVES**

- 158. (1) The Company may by ordinary resolution declare dividends in any currency, but no dividend shall exceed the amount recommended by the Directors.
- (2) No dividend shall be payable except out of the profits of the Company. No dividend shall bear interest against the Company unless otherwise provided by the rights attached to the share.
- (3) The Directors may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- (4) The Directors may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 159. (1) The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend

shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

- (2) If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
  - (3) The Directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if the Directors are of the opinion that the profits justify the payment.
160. Any general meeting sanctioning a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call.
161. A transfer of shares shall not pass the right to any dividend or bonus declared thereon before the registration of the transfer.
162. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends, interim dividends or bonuses and other moneys payable in respect of such shares.
163. Unless otherwise directed by the Directors, any dividend, interest or bonus may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in the case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be sent at the risk of the holder or joint holder, as the case may be, and be made payable to the order of the person to whom it is sent, and the payment of any cheque or warrant shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen, or that any endorsement thereon has been forged.
164. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof or any profit or benefit derived therefrom. All dividends or bonuses unclaimed for six years after having been declared shall, if the Directors so resolve, be forfeited and revert to the Company.
165. Without prejudice to the rights of the Company under Article 163, the Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.
166. Except as otherwise provided by these Articles or the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of

the period in respect of which the dividend is paid. For the purpose of this Article, an amount paid up on a share in advance of a call shall be treated, in relation to any dividend declared after the payment but before the call, as not paid up on the share.

167. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they may determine as reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares or warrants of the Company) as the Directors may determine, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Directors may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend.
168. Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe for securities of the Company or any other company, or in any one or more of such ways, with or without offering any rights to shareholders to elect to receive such dividend in cash, and where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may determine that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the members concerned, and may vest any such specific assets in trustees as may seem expedient to the Directors and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where requisite, a contract shall be filed in accordance with the provisions of the Ordinance and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.
169. (1) Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared, the Directors may further resolve either:
- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted shall be of the same class or classes as the class or classes already held by the members and the members will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:
    - (i) the basis of any such allotment shall be determined by the Directors;
    - (ii) the Directors, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place

at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

- (iii) the right of election may be exercised in whole or in part; and
- (iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“the non-elected shares”) and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for that purpose the Directors shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserve or reserves or other special account other than the subscription rights reserve, conversion rights reserve or capital redemption reserve fund, if there be any such reserves) as the Directors may determine, such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on that basis;

or

- (b) that members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may determine. In such case, the following provisions shall apply:
  - (i) the basis of any such allotment shall be determined by the Directors;
  - (ii) the Directors, after determining the basis of allotment, shall give not less than two weeks’ notice in writing to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  - (iii) the right of election may be exercised in whole or in part; and
  - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for that purpose the Directors shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserve or reserves or other special account other than the subscription rights reserve, conversion rights reserve or capital redemption reserve fund, if there be any such reserves) as the Directors may determine, such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the

elected shares on that basis.

- (2) The shares allotted pursuant to the provisions of paragraph (1) of this Article shall rank *pari passu* in all respects with the shares of the same class (if any) then in issue save only as regards participation.
- (3) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article with full power to the Directors to make such provisions as they think fit in the case of shares becoming distributable in fractions including provisions whereby, in whole or in part fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned. The Directors may authorise any person to enter on behalf of all members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being effective and binding on all concerned.
- (4) The Company may upon the recommendation of the Directors by special resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.
- (5) The Directors may resolve that the rights of election and the allotment of shares under paragraph (1) of this Article shall not be made available to any holders of ordinary shares with registered addresses in any territory where in the absence of a registration statement or other special formalities the allotment of shares or the circulation of an offer of such right of election would or might be unlawful and in such event the provisions aforesaid shall be read and construed subject to such determination.

### **CAPITALISATION OF RESERVES**

170. The Directors may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any reserve or fund of the Company (including share premium account and capital redemption reserve fund) or any sum standing to the credit of the Company's profit and loss account or otherwise available for distribution (and not required for the payment or provision of any preferential dividend) by appropriating such sum to the holders of ordinary shares in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and applying such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares, debentures or other obligations of the Company for allotment, and distribution credited as fully paid up to and amongst those members or as they may direct, in the proportions aforesaid, or partly in the one way and partly in the other. But any share premium account and any capital redemption reserve fund and any reserve or fund representing unrealised profits are for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members as fully paid up bonus shares.

171. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid up shares or debentures, if any, and generally shall do all acts and things required to give effect to any such capitalisation. In particular where any difficulty arises in regard to any distribution under Article 170 the Directors may settle the same as they think expedient and in particular may issue fractional certificates, authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the Directors. The Directors may authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for any such capitalisation and matters incidental thereto including the allotment to them respectively, credited as fully paid, of any further shares or debentures to which they may be entitled upon such capitalisation, or, as the case may require, the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on all concerned.

#### **SUBSCRIPTION RIGHTS RESERVE**

172. (1) The following provisions shall have effect at any time and from time to time that they are not prohibited or inconsistent with the Ordinance or any rules applicable from time to time.
- (2) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:
- (a) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the "Subscription Rights Reserve") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;
  - (b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account and capital redemption reserve fund) have been used and will then only be used to make good losses of the Company if and so far as is required by law;
  - (c) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such

warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid up, such additional nominal amount of shares as is equal to the difference between:

- (i) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and
  - (ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid up to the exercising warrant holders; and
- (d) if, upon the exercise of the subscription rights represented by any warrant, the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Directors shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account and capital redemption reserve fund) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Directors may determine and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.
- (3) Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned.
  - (4) Notwithstanding anything contained in paragraph (1) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights.

- (5) The provisions of this Article as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of a special resolution of such warrant holders or class of warrant holders.
- (6) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so, the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to an exercising warrant holder credited as fully paid up, and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

### **RECORD DATES**

173. Notwithstanding any other provision of these Articles, but without prejudice to the rights attached to any shares, the Company or the Directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.

### **ACCOUNTS**

174. The Directors shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Ordinance or necessary to give a true and fair view of the Company's affairs and to explain its transactions.
175. The books of account shall be kept at the registered office or at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors.
176. The Directors shall from time to time determine whether and to what extent, at what times and place and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members not being Directors and no member (other than a Director) shall have any right of inspecting any accounting record or other document of the Company, unless he is authorised to do so by statute, by order of the court, by the Directors or by the Company in general meeting.
177.
  - (1) The Directors shall from time to time in accordance with the provisions of the Ordinance cause to be prepared and laid before the Company at its annual general meeting the relevant financial documents.
  - (2) Subject to paragraph (3) of this Article, the Company shall in accordance with the Ordinance and other applicable laws, rules and regulations, deliver or send to every Entitled Person a copy of the relevant financial documents of the Company or a copy of the summary financial report in place of a copy of the relevant financial documents

from which the report is derived, not less than twenty-one days before the date of the general meeting of the Company concerned (or such other time as is permitted under the Ordinance and other applicable laws, rules and regulations).

- (3) Where any Entitled Person has, in accordance with the Ordinance and other applicable laws, rules and regulations, agreed or is deemed to have agreed to his having access to the relevant financial documents and/or the summary financial report on the Company's computer network as mentioned in Article 183(v) or, to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations, in any other manner (including any other form of electronic communication) instead of being sent the documents or report, as the case may be (an "assenting person"), the publication or making available by the Company, in accordance with the Ordinance and other applicable laws, rules and regulations, on the Company's computer network referred to above of the relevant financial documents and/or the summary financial report throughout the period beginning not less than twenty-one days before the date of the general meeting of the Company concerned and ending on such date in accordance with the Ordinance and other applicable laws, rules and regulations (or such other period of time as is permitted under the Ordinance and other applicable laws, rules and regulations) or in such other manner, shall be treated as having sent a copy of the relevant financial documents or a copy of the summary financial report to an assenting person in satisfaction of the Company's obligations under paragraph (2) of this Article.
- (4) Copies of each of those documents shall at the same time be forwarded in appropriate number to the relevant stock exchange on which the shares of the Company shall be listed or the relevant committee thereof in accordance with the terms of any listing agreement for the time being binding on the Company or with the continuing obligation binding on the Company by virtue of any listing on that stock exchange.

#### **AUDIT**

178. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Ordinance.
179. Subject as otherwise provided by the Ordinance the remuneration of the auditors shall be fixed by the Company in general meeting.
180. Every statement of accounts, audited by the auditors and presented by the Directors at an annual general meeting, shall after approval at such meeting be conclusive except as regards any error discovered therein within three months of the approval thereof. Whenever any such error is discovered within that period, it shall forthwith be corrected, and the statement of accounts amended in respect of the error shall be conclusive.

#### **NOTICES**

181. Any notice to be given to or by any person pursuant to these Articles shall be in writing, except that a notice calling a meeting of the Directors need not be in writing.
182. Every Entitled Person shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent and if any member shall fail so to do, notice may be given to such member by sending the same in any of the manners hereafter mentioned to his

last known place of business or residence, or if there be none, by posting the same for one day at the registered office of the Company or by posting the same on the website of the Company or any other electronic means. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.

183. Any notice or document (including any “corporate communication” as defined in the Rules Governing the Listing of Securities on the Stock Exchange), whether or not to be given or issued under the Ordinance and other applicable laws, rules and regulations or these presents from the Company, may be served or delivered by the Company upon the Entitled Person:
- (i) personally;
  - (ii) by sending it through the post in a prepaid envelope or wrapper addressed to such person at his registered place of address;
  - (iii) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper being in each case a newspaper published daily and circulating generally in Hong Kong and specified or permitted for this purpose by the Ordinance and other applicable laws, rules and regulations, and for such period as the Directors shall think fit to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations;
  - (iv) by sending or transmitting it as an electronic communication to such person at such telex or facsimile transmission number or electronic number or electronic address or computer network or website supplied by him to the Company for the giving of notice or document from the Company to him to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations;
  - (v) by publishing it on the Company’s computer network and giving to such person a notice in accordance with the Ordinance and other applicable laws, rules and regulations stating that the notice or other document is available there (a “notice of publication”) to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations. The notice of publication may be given to such person by any of the means set out in paragraphs (i) to (iv) or (vi) of this Article; or
  - (vi) by sending or otherwise making available to such person through such means to the extent permitted by, and in accordance with, the Ordinance and other applicable laws, rules and regulations.
184. (1) Any notice to be given to a member may be given by reference to the register of members as it stands at any time within a period of three days before the notice is given; and no change in the register after that time shall invalidate the giving of the notice.
- (2) Every person who by operation of law, transfer or other means whatsoever, becomes entitled to a share shall be bound by any notice in respect of that share which, before his name and address is entered in the register, has been given to the person from whom he derives his title.

185. Any notice or document (including any “corporate communication” as defined in the Rules Governing the Listing of Securities on the Stock Exchange) given or issued by or on behalf of the Company:
- (i) if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery, and in proving such service or delivery, a certificate in writing signed by the Secretary (or other officer of the Company or such other person appointed by the Board) that the notice or document was so served or delivered shall be conclusive evidence thereof;
  - (ii) if served or delivered by post, shall be deemed to have been served or delivered on the day following that on which the envelope or wrapper containing the same is put into a post box, and in proving such service or delivery, it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post box. A certificate in writing signed by the Secretary (or such other officer of the Company or such other person appointed by the Board) that the envelope or wrapper containing the notice or other document was so prepaid, addressed and put into such post office shall be conclusive evidence thereof;
  - (iii) if sent or transmitted as an electronic communication in accordance with Article 183(iv) or through such means in accordance with Article 183(vi), shall be deemed to have been served or delivered at the time of the relevant despatch or transmission. A notice or document published on the Company’s computer network in accordance with Article 183(v), shall be deemed to have been served or delivered on the day following that on which a notice of publication is sent to the Entitled Person. In proving such service or delivery, a certificate in writing signed by the Secretary (or such other officer of the Company or such other person appointed by the Board) as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence provided that no notification that the electronic communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender’s control shall not invalidate the effectiveness of the notice or document being served; and
  - (vi) if served by advertisement in newspaper in accordance with Article 183(iii), shall be deemed to have been served on the day on which such notice or document is first published.
186. Subject to the Ordinance and other applicable laws, rules and regulations, any notice or document (including but not limited to the documents referred to in Article 177 and any “corporate communication” as defined in the Rules Governing the Listing of Securities on the Stock Exchange) may be given by the Company in the English language only, in the Chinese language only or in both. Where a person has in accordance with the Ordinance and other applicable laws, rules and regulations consented to receive notices and documents (including but not limited to the documents referred to in Article 177 and any “corporate communication” as defined in the Rules Governing the Listing of Securities on the Stock Exchange) from the Company in the English language only or the Chinese language only but not both, it shall be sufficient for the Company to serve on or deliver to him any such notice or document in such language only in accordance with these presents unless and until there is a notice of revocation or amendment of such consent given or deemed to have been given by such person to the Company in accordance with the Ordinance and other applicable laws, rules and regulations which shall have effect in respect of any notice or document to be served on or delivered to

such person subsequent to the giving of such notice of revocation or amendment.

187. A notice or document may be given by or on behalf of the Company to the person(s) entitled to a share in consequence of death, mental disorder or bankruptcy of a member in such manner as provided in Article 183 in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.
188. Any notice or document delivered or sent to any member in such manner as provided in Article 183 shall, notwithstanding that such member be then deceased or bankrupt or that any other event has occurred and whether or not the Company has notice of his death, bankruptcy or such other event, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of the Articles be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such shares.
189. The signature to any notice to the Company may be written, printed or made electronically.

#### **INFORMATION**

190. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

#### **DOCUMENTS**

191. Any Director or the secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee of Directors and any books, records, documents and accounts, relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and, where any books, records, documents or accounts are elsewhere than at the registered office of the Company, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee of Directors which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.
192. (1) The Company shall be entitled to destroy the following documents at the following times:
  - (a) instruments of transfer: at any time after the expiration of seven years from the date on which they are registered;
  - (b) allotment letters: at any time after the expiration of seven years from their date of issue;

- (c) any dividend mandates and notifications of change of address: at any time after the expiration of two years from the date on which they are recorded;
  - (d) share certificates: at any time after the expiration of one year from the date on which they are cancelled; and
  - (e) any other document on the basis of which an entry in the register of members is made, at any time after the expiry of six years from the date on which an entry in the register was first made in respect of that document.
- (2) It shall be conclusively presumed in favour of the Company that every entry in the register of members purporting to be made on the basis of a document destroyed in accordance with this Article was duly and properly made, that every document so destroyed was valid and effective and had been duly and properly registered, cancelled or recorded in the books or records of the Company as the case may be.
- (3) The provisions of this Article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant.
- (4) Nothing in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article.
- (5) Reference in this Article to the destruction of any document include references to the disposal of it in any manner.

#### **WINDING UP**

193. If the Company is wound up and the assets available for distribution among the members are insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively, subject to any special terms that may be laid down on the issue of preference shares under Article 4(1). If in a winding up the assets available for distribution among the members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up paid up by them respectively. This Article shall not add to or detract from the rights of the holders of shares issued upon special terms and conditions.
194. If the Company shall be wound up (whether voluntarily or under the supervision of or by the court), the liquidator may, with the authority of a special resolution, divide among the members in specie or kind the whole or any part of the assets of the Company (whether or not they shall consist of property of one kind or not) and may, for that purpose, set such value as he deems fair upon any one or more class or classes of property and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like authority think fit, and the

liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares or other securities upon which there is a liability.

195. In the event of a winding up of the Company in Hong Kong every member of the Company who is not for the time being in Hong Kong shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such member by advertisement in an English language newspaper in English and a Chinese language newspaper in Chinese being in each case a newspaper published daily and circulating in Hong Kong and specified for this purpose by the Ordinance and other applicable laws, rules and regulations as he shall deem appropriate or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

#### **INDEMNITY**

196. (1) Subject to the provisions of the Ordinance and so far as may be permitted by the Ordinance, every Director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in section 165(2) of the Ordinance) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as Director, auditor, secretary or other officer of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted, or incurred in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court.
- (2) No Director, auditor, secretary or other officer of the Company shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto, but this Article shall only have effect in so far as its provisions are not avoided by section 165 of the Ordinance.
- (3) Subject to section 165 of the Ordinance, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

197. The Company shall have power to purchase and maintain for any Director or other officer, or auditors of the Company:

- (a) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and
- (b) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

For the purpose of this Article, “related company” means any company which is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.

**Names, Addresses and Descriptions of Subscribers**

For and on behalf of  
GROSVENOR NOMINEES LIMITED  
(Sd.) by Lawrence Chik-Yuen Cheung

Director  
15th Floor  
Three Exchange Square  
8 Connaught Place  
Hong Kong  
Corporation

For and on behalf of  
GREAT CHINA NOMINEES LIMITED  
(Sd.) by Lawrence Chik-Yuen Cheung

Director  
15th Floor  
Three Exchange Square  
8 Connaught Place  
Hong Kong  
Corporation

Dated the 27th day of March, 1993.

WITNESS to the above signatures:-

(Sd.) Elizabeth Ka-Yee Kan  
Director  
15th Floor  
Three Exchange Square  
8 Connaught Place  
Hong Kong